

14V - DEBT PREPAYMENT FUND

Operational Summary

Agency Description:

To reduce the General Fund debt burden. Currently (FY 2000-2001) there is \$1.024 billion outstanding in General Fund debt, of this amount \$927.3 million is from the bankruptcy recovery.

This fund was created by Board action on October 20, 1999 which transferred \$27.1 million from the Debt Repayment reserve to this new fund. The addition of bankruptcy related out-of-court litigation settlement funds and all of the first installment of the Tobacco Settlement Revenue made possible the cancellation and defeasance of all the outstanding Pension Obligation Bond debt, about \$329 million in FY 1999-2000.

Strategic Goals:

- To eliminate or reduce the debt service burden on the General Fund. Reduction of debt releases scarce County general purpose revenues for more productive uses. In the 2001 Strategic Financial Plan it was assumed that during FY 2001-2002 approximately \$40 million of debt would be eliminated or defeased. The estimated savings, about \$2.4 million, have been programmed for use in the 2001 Strategic Financial Plan.

Fiscal Year 2000-01 Key Project Accomplishments:

- Conducted a study to determine the feasibility of increased debt reduction using money set aside for pay-as-you-go facility funding (e.g. jail expansion) and substituting debt financing for planned facilities.

Budget Summary

Plan for Support of the County's Strategic Priorities:

Eliminate or reduce at least \$40.4 million in outstanding 1995 Refunding Recovery Bond debt.

The next target for reduction or defeasance are the outstanding 1995 Refunding Recovery Bonds (see also Fund 15P) which have a current balance of \$247.5 million.

At a Glance:

Total FY 2000-2001 Actual Expenditure + Encumbrance:	1,010,071
Total Final FY 2001-2002 Budget:	59,651,000
Percent of County General Fund:	N/A
Total Employees:	0.00

Changes Included in the Base Budget:

The FY 2001-2002 budget provides \$59.7 million for continued debt reduction.

Final Budget and History:

Sources and Uses	FY 1999-2000 Actual Exp/Rev ⁽¹⁾	FY 2000-2001 Final Budget	FY 2000-2001 Actual Exp/Rev ⁽¹⁾	FY 2001-2002 Final Budget	Change from FY 2000-2001 Actual	
					Amount	Percent
Total Revenues	383,251,599	124,290,747	14,243,292	17,989,899	3,746,607	26
Total Requirements	355,016,574	273,119,747	1,010,071	59,651,000	58,640,929	5,806
FBA	0	148,829,000	28,235,025	41,661,101	13,426,076	48

(1) Amounts include prior year expenditures and exclude current year encumbrances. Therefore, the totals listed above may not match Total FY 2000-01 Actual Expenditure + Encumbrance included in the "At a Glance" section.

Detailed budget by expense category and by activity is presented for agency: DEBT PREPAYMENT FUND in the Appendix on page 554.

Highlights of Key Trends:

- A comprehensive update of the County's Credit and Debt Management Policy is being prepared and will be presented to the Board of Supervisors before June 30, 2001.